

**STAFF REPORT
C59**

A 11, 13
S 5, 7

02/27/18
PRC 8677.1
D. Tutov

REVISION OF RENT

LESSEE:

Pacific Gas and Electric Company

AREA, LAND TYPE, AND LOCATION:

2.65 acres, more or less, of sovereign land in Old River, Middle River, and Latham Slough, near McDonald Island, Lower Jones Island, Bacon Island, and Palm Tract, San Joaquin and Contra Costa counties.

AUTHORIZED USE:

Continued operation, use, and maintenance of an existing 24-inch-diameter natural gas pipeline.

LEASE TERM:

20 years, beginning April 17, 2006.

CONSIDERATION:

This lease provides that the Commission may modify the rent periodically during the lease term. Pursuant to this provision, staff reviewed the rent under this lease and recommends that rent be revised from \$1,110 per year to \$2,774 per year effective April 17, 2018.

OTHER PERTINENT INFORMATION:

1. On April 17, 2006, the Commission authorized a General Lease - Right-of-Way Use to Pacific Gas and Electric Company for the construction, use, and maintenance of a 24-inch-diameter welded steel natural gas pipeline. ([Item C73, April 17, 2006](#)). On August 14, 2012, the Commission authorized a continuation of rent at \$1,110 per year, effective April 17, 2012 ([Item C50, August 14, 2012](#)). The lease will expire on April 16, 2026.
2. This action is consistent with Strategy 2.2 of the Commission's Strategic Plan to ensure timely receipt of revenues and royalties from the use and development of State lands and minerals.

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3. Approving the revision of rent is not a project as defined by the California Environmental Quality Act because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

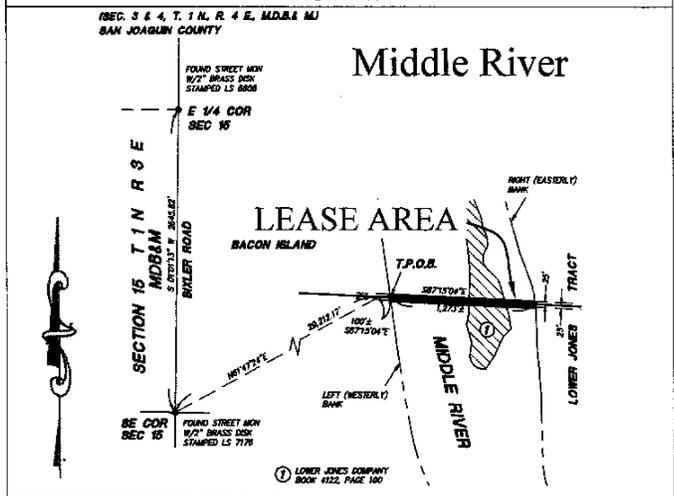
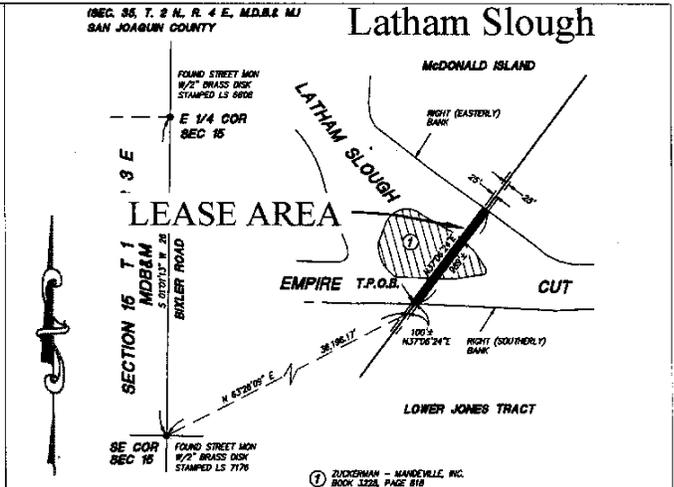
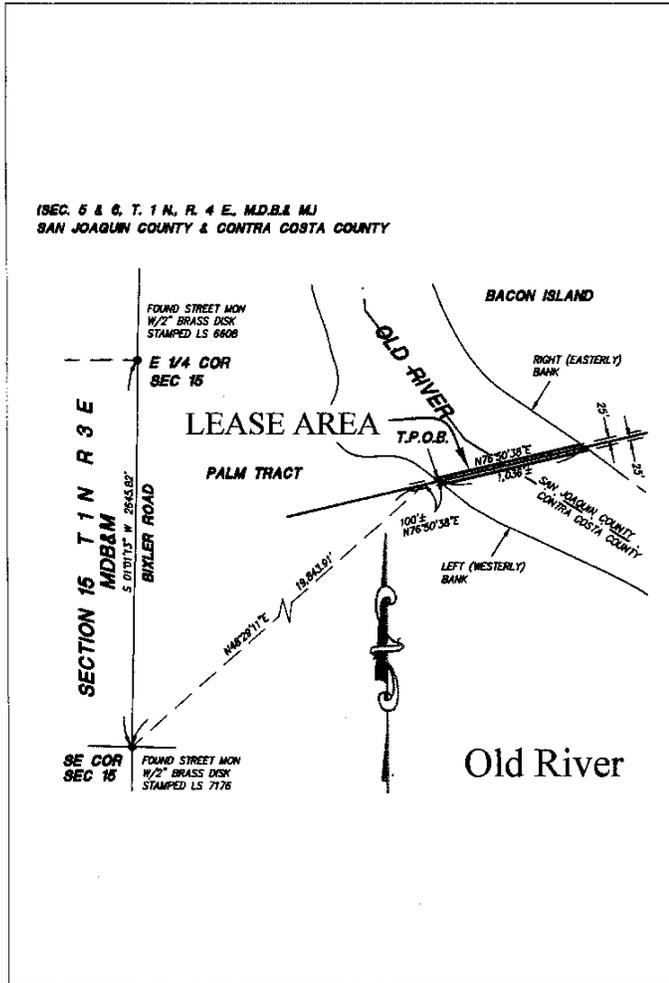
It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 8677.1 from \$1,110 per year to \$2,774 per year effective April 17, 2018.

NO SCALE

SITE MAP



NO SCALE

LOCATION MAP

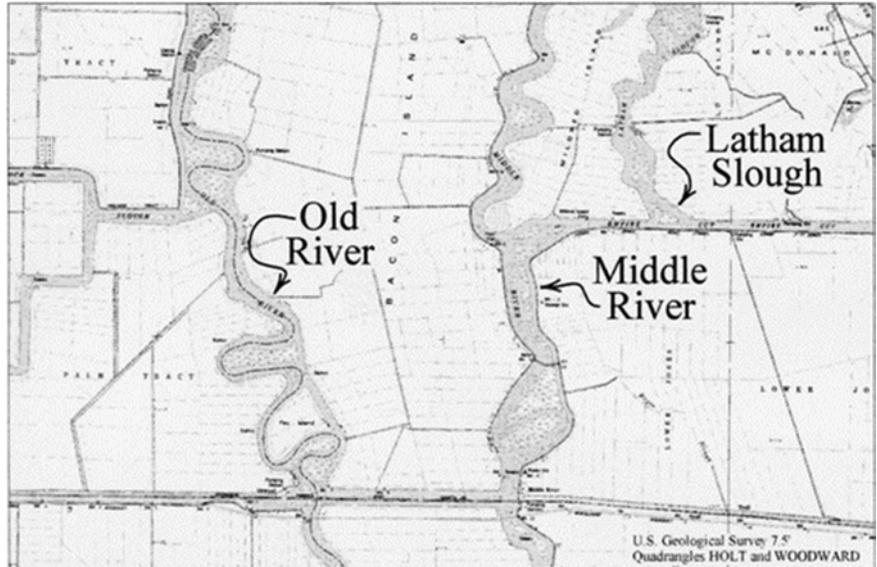


EXHIBIT A PRC 8677.1

PACIFIC GAS & ELECTRIC
GENERAL LEASE - RIGHT OF
WAY USE
SAN JOAQUIN & CONTRA
COSTA COUNTIES



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by Lessee or other parties, and is not intended to be, nor shall it be construed as a waiver or limitation of any state interest in the subject or any other property.